

MULLIKEN DISTRICT LIBRARY  
MULLIKEN, MICHIGAN

REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

# Auditing Procedures Report V1.04

Reset Form

Email

Issued under Public Act 2 of 1968, as amended.

Unit Name	Mulliken District Library	County	IONIA	Type	LIBRARY	MuniCode	
Opinion Date-Use Calendar	August 16, 2008	Audit Submitted-Use Calendar	August 17, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies? 19. If so, was it attached to the audit report?

General Fund Revenue:	\$77,744
General Fund Expenditure:	\$63,122
Major Fund Deficit Amount:	

General Fund Balance:	\$44,047
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Barry	Last Name	Gaudette	Ten Digit License Number	1101011050
CPA Street Address	3994 Sherwood Forest Drive	City	Traverse City	State	MI
				Zip Code	49686
CPA Firm Name	Barry E. Gaudette, CPA, PC	Unit's Street Address	731 S. Garfield Ave.	City	Traverse City, MI
				LU Zip	49686

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FINANCIAL SECTION

### INDEPENDENT AUDITORS' REPORT

Members of the Library Board  
Mulliken District Library  
Mulliken, Michigan

I have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Mulliken District Library, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mulliken District Library, Michigan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note I, the financial statements present only the Mulliken District Library Fund (a special revenue fund) and is not intended to present fairly the financial position and results of operations of any of the participating municipality's, in conformity with accounting principles generally accepted in the United States of America.

Mulliken District Library  
Independent Auditors' Report  
Page Two

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Mulliken District Library, Mulliken, Michigan, as of March 31, 2008, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial statements referred to above do not include the Management Discussion and Analysis, which is required supplementary information and should be included in order to conform with accounting principles generally accepted in the United States of America.

*Bary E. Andrews, CPA, PC*

August 16, 2008

## BASIC FINANCIAL STATEMENTS

**Mulliken District Library  
Statement of Net Assets  
March 31, 2008**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 43,325
Prepaid insurance	1,247
Capital assets (net of accumulated depreciation):	
Land	10,000
Building	57,458
Books and magazines	<u>48,056</u>
Total Assets	<u>160,086</u>
<b>LIABILITIES</b>	
Accounts payable	<u>525</u>
Total liabilities	<u>525</u>
<b>NET ASSETS</b>	
Invested in capital assets	115,514
Unrestricted	<u>44,047</u>
Total net assets	<u><u>\$ 159,561</u></u>

See notes to financial statements



Mulliken District Library  
Government-Wide  
Statement of Activities  
For the Year Ended March 31, 2008

Programs	Program Revenues			
	<u>Expenses</u>	<u>Fees, Charges for Services</u>	<u>Operating Grants and Contrib.'s</u>	<u>Capital Grants and Contrib.'s</u>
Governmental activities:				
Culture:				
Library	\$ 53,075	\$ 12,911	\$ 589	\$
Other:				
Depreciation	<u>20,175</u>	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities	<u>\$ 73,250</u>	<u>\$ 12,911</u>	<u>\$ 589</u>	<u>\$</u>

**General revenues:**

Township & Village millages  
State aid  
Interest  
Rentals  
Sale of books  
Other

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See notes to financial statements

Net (Expenses)  
Revenues and  
Changes in  
Net Assets

\$ ( 39,575)

( 20,175)

( 59,750)

59,956

1,367

200

1,248

880

593

64,244

4,494

155,067

\$ 159,561

Mulliken District Library  
Balance Sheet  
Governmental Funds  
March 31, 2008

	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 43,325	\$ 43,325
Prepaid insurance	<u>1,247</u>	<u>1,247</u>
Total Assets	<u>\$ 44,572</u>	<u>\$ 44,572</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 525	\$ 525
Fund balance:		
Unreserved	<u>44,047</u>	<u>44,047</u>
Total liabilities and fund balance	<u>\$ 44,572</u>	<u>\$ 44,572</u>

See notes to financial statements

Mulliken District Library  
Reconciliation of the Governmental Funds  
Balance Sheet  
With the Statement of Net Assets  
March 31, 2008

Amounts reported for governmental activities in the  
statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 44,047
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Capital assets used in governmental activities  
are not financial resources and therefore are  
not reported as assets in governmental funds:

Cost of capital assets	293,059
Accumulated depreciation	<u>( 177,545)</u>

Total Net Assets - Governmental Activities	<u>\$ 159,561</u>
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See notes to financial statements

Mulliken District Library  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance  
Governmental Funds  
For the Year Ended March 31, 2008

	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>		
Local sources:		
Township & Village millages	\$ 59,956	\$ 59,956
State aid	1,367	1,367
Contributions	589	589
Charges for services	418	418
Fines	12,493	12,493
Interest	200	200
Rentals	1,248	1,248
Sale of books	880	880
Other	<u>593</u>	<u>593</u>
Total revenues	<u>77,744</u>	<u>77,744</u>
<b>EXPENDITURES</b>		
Current:		
Culture:		
Library:		
Salaries	26,901	26,901
Utilities	3,727	3,727
Videos	3,661	3,661
Insurance	2,224	2,224
Payroll taxes	2,059	2,059
Maintenance	1,932	1,932
Custodial	1,855	1,855
Miscellaneous	1,620	1,620
Dues & audit	1,470	1,470
Board expense	1,400	1,400
Secretary/treasurer	1,200	1,200
Technology	1,119	1,119
Business supplies	887	887
Copier	711	711
Capital Library Co-op	683	683
Magazines	645	645
Staff books	391	391
Mileage	231	231
Donations	225	225
Cleaning supplies	104	104
Advertising	30	30
Capital outlay	<u>10,047</u>	<u>10,047</u>
Total expenditures	<u>63,122</u>	<u>63,122</u>

Mulliken District Library  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance  
Governmental Funds  
For the Year Ended March 31, 2008  
(Continued)

	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
EXPENDITURES (CONTINUED):		
Net change in fund balance	14,622	14,622
Fund balance-beginning	<u>29,425</u>	<u>29,425</u>
Fund balance-ending	<u>\$ 44,047</u>	<u>\$ 44,047</u>

See notes to financial statements

Mulliken District Library  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance of Governmental Funds  
To the Statement of Activities  
For the Year Ended March 31, 2008

Amounts reported for governmental activities in the  
statement of activities are different because:

Total net change in fund balances - governmental funds	\$ 14,622
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Governmental funds report capital outlays  
as expenditures. However, in the statement  
of activities the cost of those assets is  
allocated over their estimated useful lives  
and reported as depreciation expense.

The amount by which capital outlays  
exceeded depreciation in the period.

Capital outlays	\$ 10,047	
Depreciation expense	( 20,175)	( 10,128)
Change in net assets of governmental activities		<u>\$ 4,494</u>

See notes to financial statements

**Mulliken District Library**  
**Notes to Financial Statements**  
**March 31, 2008**

**I. Summary of significant accounting policies**

The financial statements of the Mulliken District Library (the Library) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

**A. Reporting entity**

The Mulliken District Library is an independent governmental entity that was formed jointly by local units of government to provide library services to residents of the Village of Mulliken and surrounding townships.

The Library's administrative board consists of five members. Officers of the Library Board shall be chosen at the annual meeting of the Library Board, and shall consist of a President, Vice-President, Secretary, Treasurer and Trustee. An officer's term is two years with no limit on renewal.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Fire District. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Library has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.



**I. Summary of significant accounting policies (Continued)**

**B. Government-wide and fund financial statements (Continued)**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Library has no responsibility for any fiduciary funds. Major individual governmental funds are reported as separate columns in the financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Fire Association District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when a payment is due.

Property taxes, interest and charges for services are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the Fire Association District and are recognized as revenue at that time.

The Library reports the following major governmental fund:

The *special revenue fund* is the Library's primary operating fund. It accounts for all financial resources of the Library.

## **I. Summary of significant accounting policies (Continued)**

### **C. Measurement focus, basis of accounting and financial statement presentation (Continued)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

### **D. Assets, liabilities, and net assets**

#### **1. Deposits and investments**

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Library to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, saving and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or Nation Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which mature not more than 270 days after the date of purchase. The Library is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

The Library Board has designated one bank for the deposit of Library funds.

#### **2. Capital assets**

Capital assets, which include property, plant, and equipment are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated

## I. Summary of significant accounting policies (Continued)

### D. Assets, liabilities, and net assets (Continued)

#### 2. Capital assets (Continued)

fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment of the Library is depreciated using the straight-line method over the following estimated useful lives:

Building	40 years
Office equipment	5 years
Books and magazines	10 years

#### 3. Compensated absences

The Library does not have a compensated absence policy.

#### 4. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types, recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 5. Fund balance

In the fund financial statements, the unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes or indicates that a component of assets does not constitute "available spending resources". The designated fund balances for governmental funds represent tentative plans for future use of financial resources.

## **I. Summary of significant accounting policies (Continued)**

### **D. Assets, liabilities, and net assets (Continued)**

#### **6. Use of estimates**

The process of preparing general purpose financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

## **II. Stewardship, compliance and accountability**

### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Management submits to the Library Board a proposed budget for the fiscal year commencing on April 1st. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth in the combined statement of revenues, expenditures and changes in fund balances - budget and actual - GAAP basis - general funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to March 31st, the budget is legally adopted by the Library Board as a resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated.

## **II. Stewardship, compliance and accountability**

### **A. Budgetary information (Continued)**

4. Management is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Library Board.
5. Formal budgetary integration is employed as a management control device during the year for the special revenue fund.
6. The budget as presented, has not been amended.

### **B. Excess of expenditures over appropriations**

During the year ended March 31, 2008, the Library did not incur expenditures in excess of amounts appropriated.

## **III. Detailed notes on all funds**

### **A. Cash and investments**

#### **Deposits**

The Library's policies regarding deposits of cash are discussed in Note 1. The table presented below is designed to disclose the level of custody credit risk assumed by the Library based upon how its deposits were insured or secured with collateral at March 31, 2008. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the Library(or public trust) or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Library's name.

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Library's name; or collateralized with no written or approved collateral agreement.

III. Detailed notes on all funds (Continued)

A. Cash and investments (Continued)

Deposits (Continued)

	Total Bank Balance	<u>Custody Credit Risk</u>			Total Carrying Value
		Category 1	Category 2	Category 3	
Demand deposits	<u>\$44,446</u>	<u>\$ 44,446</u>	<u>\$</u>	<u>\$</u>	<u>\$ 43,325</u>

Investments

The Library does not have any investments.

A reconciliation of cash as shown on the statements of net assets follows:

Carrying amount of deposits	<u>\$ 43,325</u>
Cash and cash equivalents	\$ 44,446
Checks written in excess of deposits	<u>( 1,121)</u>
Total	<u>\$ 43,325</u>

### III. Detailed notes on all funds (Continued)

#### B. Capital assets

Capital asset activity for the year ended March 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases (Decreases)</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>			
Capital assets, not being depreciated	\$ 10,000	\$ _____	\$ 10,000
Capital assets being depreciated:			
Building	88,397		88,397
Office equipment	15,291		15,291
Books & magazines	<u>169,324</u>	<u>10,047</u>	<u>179,371</u>
Total capital assets being depreciated	<u>273,012</u>	<u>10,047</u>	<u>283,059</u>
Less accumulated depreciation for:			
Building	( 28,729)	( 2,210)	( 30,939)
Office equipment	( 15,291)		( 15,291)
Books & magazines	<u>( 113,350)</u>	<u>( 17,965)</u>	<u>( 131,315)</u>
Total accumulated depreciation	<u>( 157,370)</u>	<u>( 20,175)</u>	<u>( 177,545)</u>
Total capital assets, being depreciated, net	<u>115,642</u>	<u>( 10,128)</u>	<u>105,514</u>
Governmental activities capital assets-net of depreciation	<u>\$ 125,642</u>	<u>\$ ( 10,128)</u>	<u>\$ 115,514</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
Culture	<u>\$ 20,175</u>
Total depreciation expense- governmental activities	<u>\$ 20,175</u>

#### IV. Other information

##### A. Risk management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers compensation). The Library has purchased commercial insurance for these types of claims. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

##### B. Pension Plan

The Library does not provide a pension plan for its employees.



## Required Supplementary Information

Mulliken District Library  
Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance  
-Budget and Actual  
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Township and				
Village millages	\$ 57,030	\$ 57,030	\$ 59,956	\$ 2,926
State aid	1,000	1,000	1,367	367
Contributions	500	500	589	89
Charges for services	500	500	418	( 82)
Fines	8,100	8,100	12,493	4,393
Interest	100	100	200	100
Rentals	1,000	1,000	1,248	248
Sale of books	750	750	880	130
Other	200	200	593	393
Total revenues	<u>69,180</u>	<u>69,180</u>	<u>77,744</u>	<u>8,564</u>
<b>EXPENDITURES</b>				
Current:				
Culture:				
Library:				
Salaries	27,000	27,000	26,901	99
Utilities	5,000	5,000	3,727	1,273
Videos	3,500	3,500	3,661	( 161)
Insurance	3,000	3,000	2,224	776
Payroll taxes	2,500	2,500	2,059	441
Maintenance	4,500	4,500	1,932	2,568
Custodial	1,900	1,900	1,855	45
Miscellaneous	14,211	14,211	1,620	12,591
Dues & audit	2,000	2,000	1,470	530
Board expense	2,300	2,300	1,400	900
Secretary/treasurer	1,200	1,200	1,200	
Technology	3,000	3,000	1,119	1,881
Business supplies	1,200	1,200	887	313
Copier	800	800	711	89
Capital Library Co-op	500	500	683	( 183)
Magazines	1,000	1,000	645	355
Staff books	500	500	391	109
Mileage	300	300	231	69
Donations	500	500	225	275
Cleaning supplies	200	200	104	96
Advertising	50	50	30	20

Mulliken District Library  
Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance  
-Budget and Actual  
For the Year Ended March 31, 2008  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>EXPENDITURES</b>				
<b>(CONTINUED)</b>				
Current:				
Culture:				
Library				
Workshops	50	50		50
Capital outlay	<u>20,500</u>	<u>20,500</u>	<u>10,047</u>	<u>10,453</u>
Total expenditures	<u>95,711</u>	<u>95,711</u>	<u>63,122</u>	<u>32,589</u>
Net change in fund balance	( 26,531)	( 26,531)	14,622	41,153
Fund balance - beginning	<u>26,531</u>	<u>26,531</u>	<u>29,425</u>	<u>2,894</u>
Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$ 44,047</u>	<u>\$ 44,047</u>

See notes to financial statements

**COMMENTS AND RECOMMENDATIONS**

**Barry E. Gaudette, CPA, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

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Traverse City, Michigan 49686  
(231) 946-8930  
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Members of the Board of Directors  
Mulliken District Library  
Mulliken, Michigan

My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

It was not necessary to make any comments or recommendations.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management and the Library Board and should not be used for any other purpose.

*Barry E. Gaudette, CPA, P.C.*

August 16, 2008